

352 6-2 Calculator Lib 425
ROUTE SLIP AND OFFICE MEMO
NAVJAGS 11 LONG (REV. 5-48)

263 G

Do not detach from official correspondence

ORIGINATING CODE NAME EXTN. DATE **ENCLOSURE MAILER**

ROUTE TO CODE	RELEASED		COMMENTS
	INITIAL	DATE	
763B	RL	6/19	COPY RETAINED FOR SHORL FACILITIES FILES
762	RL	6/25	
760A	RL	6/25	
760			<div style="text-align: right;">25 JUN 1953</div> <div style="text-align: right;">SIGNATURE, EXTN, AND CODE ARE TO FOLLOW COMMENTS</div>
243	L		

H. R. Benson
 By Direction

If additional space is required use REVERSE SIDE

<input type="checkbox"/> FILE	FILE NO.	SERIAL NO. 6181206
BY	DATE	6/25/52

QM/Smith Asbestos Products(762)
Ser 762-2133

25 JUN 1953

From: Chief, Bureau of Ships
To: Inspector of Naval Material, Newark, New Jersey

Subj: National Industrial Reserve Plant, Smith Asbestos Products, Inc.,
Millington, New Jersey. DOD No. 231

Ref: (a) BUSHIPS ltr QM/3(762) Ser 762-2089 of 19 June 1953

Encl: (1) Copy of ONM ltr W41241:WJg Ser 481 of 18 June 1953 to
BUSHIPS

1. Enclosure (1) is forwarded herewith for the information and files of the Inspector. The subject plant has been deleted from the National Industrial Plant Reserve and the Inspector is hereby relieved of inspection responsibility.

2. Forms MB-339 covering the inspection for 1953, which has already been made, should be submitted in accordance with the request contained in reference (a).

W. M. Benson
by direction

Copy to:
NFWO, JMD v/s encl (1)
BuDocs v/s encl (1)
ONM
158

Prepared by J. E. Holland Ext 65304
Typed by M. J. Halkington 6/24/53
6/24/53



DEPARTMENT OF THE NAVY
OFFICE OF NAVAL MATERIAL
WASHINGTON 25, D. C.

65123
IN REPLY REFER TO
M412A1:WR:jg
Ser 481

18 JUN 1953

From: Chief of Naval Material
To: Chief, Bureau of Ships

Subj: National Industrial Reserve Plant, Smith Asbestos Products
Inc. (Formerly Asbestos Limited), Millington, N. J., DOD
Plant No. 231

Ref: (a) CNM ltr M412A1:WR:jg Ser 274 of 10 Apr 1953 to ChBuShips
(b) MB Memo MBPFS 004 of 27 May 1953 to UndSecNav (Attn: Mr.
W. H. Moore)

1. Reference (a) transmitted correspondence relative to the sale of the subject plant without the National Security Clause. The effective date of sale of this plant to the National Gypsum Company was 2 March 1953.
2. Reference (b) advises that the National Security Clause has been removed from this plant and the Department of the Navy is relieved of inspection responsibility.
3. In view of the cancellation of the National Security Clause, the Bureau of Ships is hereby relieved of inspection responsibility for this facility.

C. W. MCCLUSKY
Acting Asst. Chief, Naval Material (Production)

6181206

763B

QM/Smith Asbestos Products

M.S.

CM/Smith Asbestos
Products(762)
Ser 762-1351

15 APR 1953

From: Chief, Bureau of Ships
To: Inspector of Naval Material, Newark, New Jersey

Subj: National Industrial Reserve Plant, Smith Asbestos Products, Inc.,
Millington, New Jersey, BOD No. 231

Re: (1) Copy of ONM ltr W412A1; CMJg Ser 274 of 10 Apr 1953 to BUSHIPS.
w/encs

1. Enclosure (1) is forwarded herewith for the information and files of the Inspector.

2. If, and when, the National Security Clause is removed from this facility, as a result of acceptance by the National Oxygen Company of the conditions imposed by the Munitions Board, the Inspector will be further advised regarding future inspections of this facility.

R. J. Stumow
By direction

Copy to:
ONM

Prepared by J. B. Holland, Ext. 65304
Typed by M. G. Harritt, 4/15/53
4110555



DEPARTMENT OF THE NAVY
OFFICE OF NAVAL MATERIAL
WASHINGTON 25, D. C.

IN REPLY REFER TO
N412A1:MR:JE
Ser 274

APR 10 1953

From: Chief of Naval Material
To: Chief, Bureau of Ships
Subj: National Industrial Reserve Plant, Smith Asbestos Products,
Inc., Millington, W. J., DOD No. 231
Encl: (1) MB ltr MBFFS of 27 Mar 1953 to GSA with attachments
1. Enclosure (1) is forwarded for information.

John S. Callahan
John S. Callahan
By direction

763 B

4110535

am/Smith Asbestos Products

ENCLOSURES RECEIVED IN 243



MEMO

MUNITIONS BOARD
WASHINGTON 25, D. C.

Munitions Board

MAR 27 1953

Dear Mr. Forrest:

Reference is made to the inclosed copy of letter from the National Gypsum Company dated March 2, 1953, in which they notify us that they have purchased the National Industrial Reserve facility known as Smith Asbestos Products, Millington, New Jersey, and further requests removal of the National Security Clause in return for the general commitment of products produced in plants owned by the Company.

This request has been carefully reviewed and you are informed that the proposal of the National Gypsum Company is acceptable, subject to an undertaking by the National Gypsum Company and confirmed by its Board of Directors that:

- (1) It is purchasing the property in question for its own use and has no present intention of reselling or leasing said property to others;
- (2) It will protect, preserve and maintain the property in question in good condition and repair in accordance with sound industrial practices;
- (3) Until the 19th day of November 1968, provided a national emergency lawfully exists, it will accept and execute contracts with the United States Government, or any authorized agencies thereof, on reasonable terms, for the production of asbestos-cement products to the extent of at least 50% of the output of all such product plants owned by the National Gypsum Company; and
- (4) The Secretary of Defense shall have the right to conduct an inspection or a survey of the Company's facilities at any time, subject to prior written notice thereof.

7638

6-102142

q m / Smith Asbestos Products

4110555

594

6-102142

Upon the official acceptance by the National Gypsum Company of the foregoing conditions, the National Security Clause contained in the "Agreement of Sale," dated November 19, 1948, is hereby cancelled.

Sincerely yours,

2 Inclosures

1. Cy ltr fr National Gypsum Co. dated March 2, 1953
2. Cy ltr to National Gypsum Co. fr Munitions Board

Frederick
Frederick
[Acting Chairman]

Mr. J. Russell Forbes
Acting Administrator
General Services Administration
Washington 25, D. C.

4110555

cc: Mr. John C. Best
Vice President
National Gypsum Company

The Under Secretary of the Navy
Attn: Mr. Wm. H. Moore

Capt. J. F. Gallaher (USN) (M412)

C
O
P
Y

NATIONAL GYPSUM COMPANY
Buffalo 2, New York

NATIONAL GYPSUM CO.

March 2, 1953

Mr. John C. Houston, Jr.
Acting Chairman, Munitions Board
Pentagon Building
Washington 25, D. C.

Re Facility: Asbestos, Ltd. NSC
Mortgager : Smith Asbestos Products, Inc.
Location: Millington, N. J.
Case No.: N-NJ-47, NObs-347

Dear Mr. Houston:

During 1942 a building was erected by the Navy on ground adjoining the plant of Asbestos, Ltd. at Millington, N.J. This building, hereinafter referred to as the Navy Building, was equipped to manufacture insulation blocks used by the Navy in ship construction. For some reason, only about 6% of the capacity of the plant was used during the second World War, and in 1949 all manufacturing ceased and the plant was shut down. It has not been reactivated since the trouble started in Korea.

In 1946, the business of Asbestos, Ltd. was taken over by Smith Asbestos Products, Inc. In April 1949, the latter company purchased the Navy Building and equipment from War Assets Administration, whose functions were later assumed by General Services Administration. Smith Asbestos paid for the building partly in cash and the balance through a first mortgage running for ten years with quarterly payments to cover interest and amortization of the principal. All payments called for to date under this mortgage have been paid. The building was purchased subject to the National Security Clause.

763B
Smith Asbestos did not find it practical to continue the manufacture of insulation blocks because of the limited demand for them and the high production cost. They desired to use the building in connection with their manufacture of Asbestos-Cement siding. On July 18, 1950, they therefore requested permission to remove from the Navy Building a substantial part of the equipment that it contained and "ultimately to replace it with modern and efficient machinery for the manufacture of Asbestos-Cement products".

Qm / Smith Asbestos Products 4110556 Kf

Following correspondence with the Navy Bureau of Ships and General Services Administration, and an inspection of the property by the latter, Smith Asbestos Products, Inc. received a letter dated December 5, 1950 from the New York Regional Office of General Services Administration stating that:

"The Munitions Board has authorized this Administration to permit you to remove and dispose of obsolete machinery and equipment and replace it with modern machinery as proposed and outlined in your letter of July 18, 1950."

We have recently purchased the business of Smith Asbestos Products, Inc. and took over the operation of the plant yesterday, March 1st. With the approval of General Services Administration, Smith Asbestos are transferring to us their interest in the Navy Building. We are assuming their liability under their purchase contract for the building and have agreed to pay off in full within sixty days the balance of approximately \$38,000 still outstanding against the mortgage held by General Services Administration.

Under the National Security Clause, there were certain restrictions governing the sale of the Navy Building to Smith Asbestos Products, Inc. The ones with which we are chiefly concerned are:

- A. That full title to the building should not pass to the purchaser for 20 years.
- B. That in the event of a National Emergency the Government could call on the purchaser for a period of not more than 5 years, to make the output of the plant available to the Government.

We hereby request that on the assignment of the purchase contract for the Navy Building from Smith Asbestos Products, Inc. to National Gypsum Company, the General Services Administration be authorized to eliminate the National Security Clause and to agree that, when the purchase money mortgage is paid in full, we shall receive a clear and final title to the Navy Building.

In return, we would propose to substitute a general corporate commitment of our company to make available to the Government in any emergency, at least 50% of the output of all our Asbestos-Cement product plants. The obvious advantages to the Government in this proposal are:

- 1. We have similar plants at New Orleans and St. Louis. By making their production available you would secure lower average freight rates and quicker deliveries to various points at which you might need the material, than if it all had to be shipped from Millington.

2. The Millington plant is a one-machine operation, whereas St. Louis has one machine and New Orleans has three complete manufacturing units.
3. The Millington plant makes only one product; Asbestos-Cement siding, whereas in our other plants, particularly New Orleans, we make a full range of Asbestos-Cement products. This includes items such as flat sheets, used in large quantities on various types of Government structures for many years past, and the heavy corrugated sheets used for roofing and siding of large buildings.

On this basis, we trust that you will be agreeable to substituting a general corporate commitment for the National Security Clause, and providing for us to receive a full and final title when the mortgage is satisfied.

Submitted,

NATIONAL GYPSUM COMPANY

/s/ John C. Best

Vice President

ope

4110555

C
O
P
Y



MB 78

MUNITIONS BOARD
WASHINGTON 25, D. C.

Munitions Board

MAIL ROOM

Dear Mr. Best:

Reference is made to your letter of March 2, 1953, in which you request the removal of the National Security Clause on the National Industrial Reserve facility known as Smith Asbestos Products, Millington, New Jersey, in return for a general corporate commitment to furnish asbestos products in time of an emergency.

Your request has been given careful consideration, and we have, by letter of even date, advised the Acting Administrator, General Services Administration, that your proposal is acceptable, subject to certain general conditions which have been discussed informally with representatives of your Company and which we believe will be found acceptable to you.

It is suggested that you contact the General Services Administration in order to arrange the necessary details in connection with this matter.

Sincerely yours,

[Acting Chairman]

1 Inclosure

1. Cy ltr to General Services Administration

Mr. John C. Best
Vice President
National Gypsum Company
Buffalo 2, New York

cc: General Services Administration

7630

The Under Secretary of the Navy
Attn: Mr. Wm. H. Moore

Capt. J. F. Callahan (USN) (M 412)

4110550

G/M/Smith Asbestos Products

NP

NAVJAG 601076 (REV. 5-65)

149 8-10

Do not detach from official correspondence

ORIGINATING CODE NAME EXTN. DATE

SIGNATURE, EXTN, AND CODE ARE TO FOLLOW COMMENTS

If additional space is required use REVERSE SIDE

CLAIM

100

DATE _____

FILE NO.

SERIAL NO.

3210314



DEPARTMENT OF THE NAVY
BUREAU OF YARDS AND DOCKS
WASHINGTON 25, D. C.

IN REPLY REFER TO

B-420A/c1
NObs-347

From: Chief, Bureau of Yards and Docks
To: Chief of Naval Material (M412)

20 MAR 1953

Subj: Industrial Plant Reserve (Navy) Smith Asbestos Products Company, Millington, W. J., Annual Maintenance Inspection Report; forwarding of

Encl: (1) Annual Maintenance Inspection Report of Subject facilities as of February 1953

1. The subject report, enclosure (1), is forwarded herewith for information.

2. It is noted that this facility which is being used for the purpose for which it was originally constructed is being maintained in satisfactory condition. Indicated within the report, however, are items of deferred maintenance to be accomplished in the amount of \$12,700.00.

763B

G. M. Smith Asbestos Products

H. H. TERPUMA
By direction

25

Copy to:
BUSHIPS (762)

1227778 51 10 31

3210314